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**FISCAL IMPACT STATEMENT**

**LS 7422**

**BILL NUMBER:** SB 533

**NOTE PREPARED:** Apr 15, 2011

**BILL AMENDED:** Apr 12, 2011

**SUBJECT:** Design-Build Public Works Projects.

**FIRST AUTHOR:** Sen. Mishler

**FIRST SPONSOR:** Rep. Messmer

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

*In-person Appearances:* The bill provides that a public agency may not require an offeror to appear in person more than three times before the technical review committee for a design-build contract.

*Preliminary Procedures:* The bill provides that a public agency may not issue a request for proposals for a controlled project until certain preliminary procedures requesting application of the petition and remonstrance process or the referendum process are completed, as applicable.

*Qualitative Proposal Submissions:* The bill limits the deliverables required for a qualitative proposal submitted in response to a request for proposals.

*Prior Authorization for Design-Build Contracting:* It repeals the provision in current law requiring the governing body of a public agency to give prior authorization to use design-build contracting.

*Definitions:* The bill amends the definition of "public agency" to include conservancy districts established for water supply or sewage treatment, and it amends the definition of "public project" to include improvements other than buildings.

*Open Meetings:* The bill provides that the meetings of a technical review committee for a public project comprised entirely of employees of the public agency undertaking the public project are not open to the public.

*Combined Request:* It also allows a state educational institution to use the combined request for qualifications and request for proposals for all design-build projects (combined request procedure). The bill allows a public agency other than a state educational institution to use the combined request procedure for public projects having an initial estimated cost that does not exceed \$5 M.

*Qualitative Proposal Scoring:* The bill provides that a technical review committee must give a written comprehensive score for each qualitative proposal received in response to a request for proposals, which includes: (1) an explanation of the scoring methodology; (2) for each factor used in determining the composite score of the qualitative proposal, the scores awarded by each member of the technical review committee, the resulting technical review committee score, and the resulting weighted score, if applicable; and (3) the composite score calculated for the qualitative proposal.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** (Revised) The bill could minimally reduce costs for a public agency by removing a requirement that the governing body of a public agency adopt a resolution at a public meeting authorizing use of the design-build contracting method, and, for projects by educational institutions or projects by other public entities costing less than \$5 M, allowing a combined request procedure. The bill will have indeterminate fiscal impact on the design-build process by requiring public agencies to complete certain preliminary procedures before issuing requests for proposal and by requiring comprehensive written scores for the qualitative proposal scores.

The bill expands the public entities that may use design-build bidding to include conservancy districts and adds sewers and drains to the type of projects that may be undertaken as design-build projects.

(Revised) *Background:* Under current law, if a public agency authorizes a design-build project, the agency must post a notice of request for qualifications to potential design-builders. For design-build contracts, the public agency must appoint a technical review committee to qualify potential design-builders regardless of price or cost, and rate and score qualitative proposals. Once the technical review committee has completed its work and selected at least three design-builders, the public agency issues a request for proposal to the qualified bidders. A design criteria developer prepares a design criteria package based on the scope and level of detail the public agency requires. Each request for proposal response must contain a design criteria package and be submitted in two parts, a qualitative proposal and a price proposal.

The bill combines the steps of qualifying potential design-builders and receiving bids for projects by educational institutions and projects that cost less than \$5M for other entities. It reduces the number of days for a potential design-builder to respond to a request for qualifications from 30 days to 14 days, but allows 30 days for a design-builder to respond to a combined request.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*.

**Explanation of Local Revenues:**

**State Agencies Affected:** State agencies (not the Indiana Department of Transportation), educational institutions, bodies corporate and politic.

**Local Agencies Affected:** Civil units, bodies corporate and politic, school corporations, conservancy districts.

**Information Sources:**

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